



72 ARLINGTON AVE

JERSEY CITY, NJ 07305

OFFERING MEMORANDUM

7 UNITS | 6.91% CAP RATE | 7.35% CASH ON CASH | PRIME LOCATION

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



6.91% CAP RATE

7
APARTMENTS

7.35%
CASH ON CASH

CONDO QUALITY RENOVATION



\$2,450,000
OFFERING PRICE



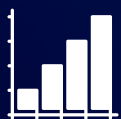
\$222,000
GROSS INCOME



\$169,251
NET OPERATING INCOME



6.91%
CAP RATE



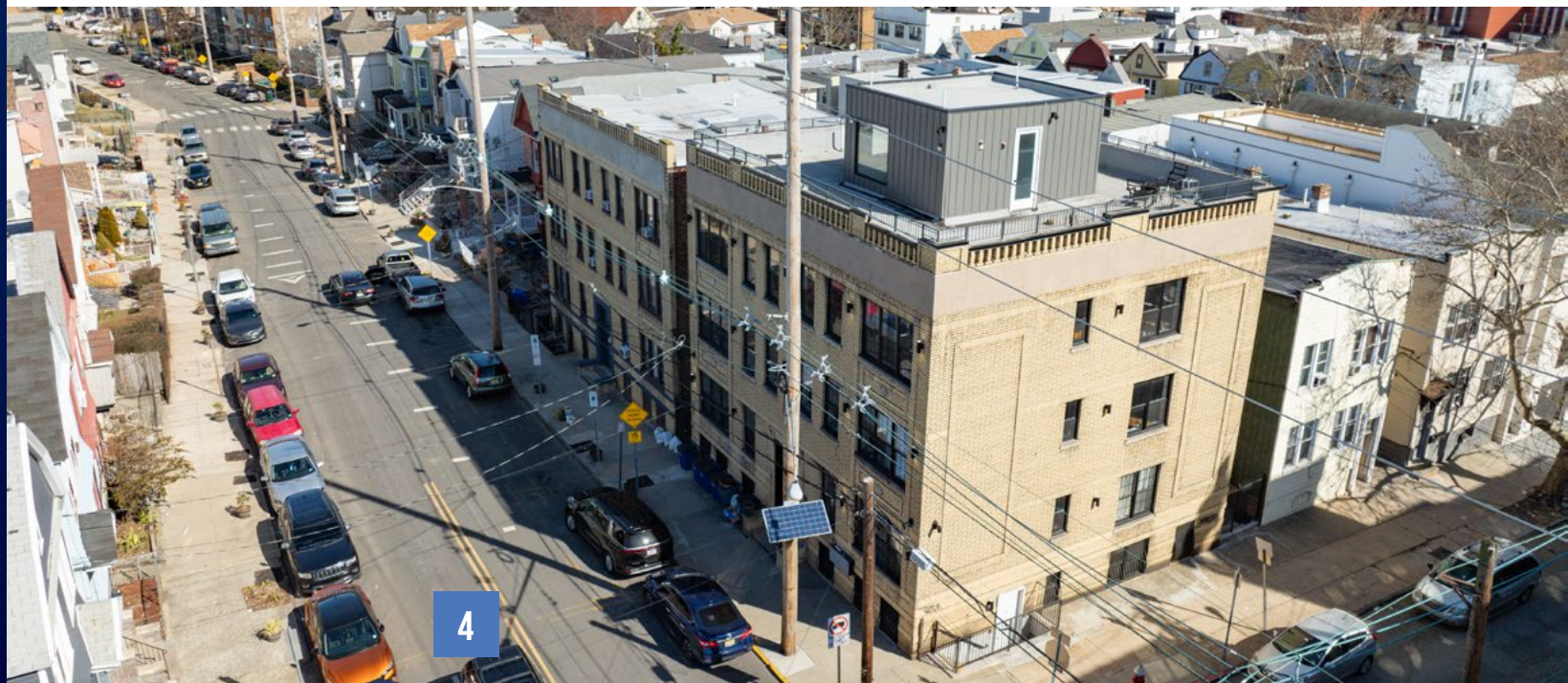
7.35%
CASH ON CASH

EXECUTIVE SUMMARY

Property Address	72 Arlington Ave, Jersey City, NJ 07305
Rentable SF	±6,487 SF
Block/Lot	23702/1
Number of Units	7
Total Buildings	1
Property Taxes	\$16,964

RENT ROLL ANALYSIS

UNIT TYPE	UNITS	AVG SF	ACTUAL		PRO FORMA		UPSIDE
			Avg Rent	Avg \$/PSF	Market Rent	Avg \$/PSF	
2 Bed/1 Bath	6	885	\$2,550	\$35	\$2,750	\$37	8%
3 Bed/2 Bath	1	1,177	\$3,200	\$33	\$3,200	\$33	0%
Total / Averages	7	927	\$2,643	\$34	\$2,814	Total Upside	6%





SUMMARY OF TERMS

INTEREST OFFERED

Matthews Real Estate Investment Services™ has been selected to exclusively market for sale 72 Arlington Ave, a mixed use with multifamily building in Jersey City, New Jersey.

TERMS OF SALE

72 Arlington Ave, Jersey City is being offered free and clear of debt at a purchase price of \$2,450,000.

PROPERTY TOURS

All property tours must be arranged with the Matthews™ listing agent. At no time shall the tenants, on-site management or staff be contacted without prior approval.

PROPERTY OVERVIEW

INVESTMENT OVERVIEW

Matthews Real Estate Investment Services™ has been selected to exclusively market for sale a multifamily brick building on Arlington Ave in Jersey City. The property contains a total of 7 units with a mix of two- and three-bedroom oversized apartments. The deal has a going in cap rate of 6.91%. with 7.54% cash on cash return. The building has been gut-renovated with condo finishes. Tenants pay for heat, hot water, cooking gas, and electric and the landlord pays for water & sewer.

The building is located in the Bergen Lafayette Section of Jersey City. The property is approximately a 3-minute walk to the Ocean Ave At Wilkinson Ave Bus Stop which provides a 35-minute trip into Midtown Manhattan. The property is also 2.4 miles from the Journal Square PATH station which offers a 15-minute commute to the World Trade Center and a 22-minute.

The building is situated close to Newark Liberty Airport, JFK, and La Guardia Airport and has easy access to Route 1 & 9, Interstate 95, and I-78. Jersey City has experienced a massive influx in development and capital investments as it grows to be a premier choice of residency for tenants seeking more affordable housing compared to the expensive and saturated downtown and Journal Square markets in Jersey City.

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES



INVESTMENT HIGHLIGHTS



VALUE-ADD OPPORTUNITY

- 7 Units
- 6% upside in rents
- 6.91% Cap Rate
- Average rents \$2,643
- 7.35% Cash on Cash

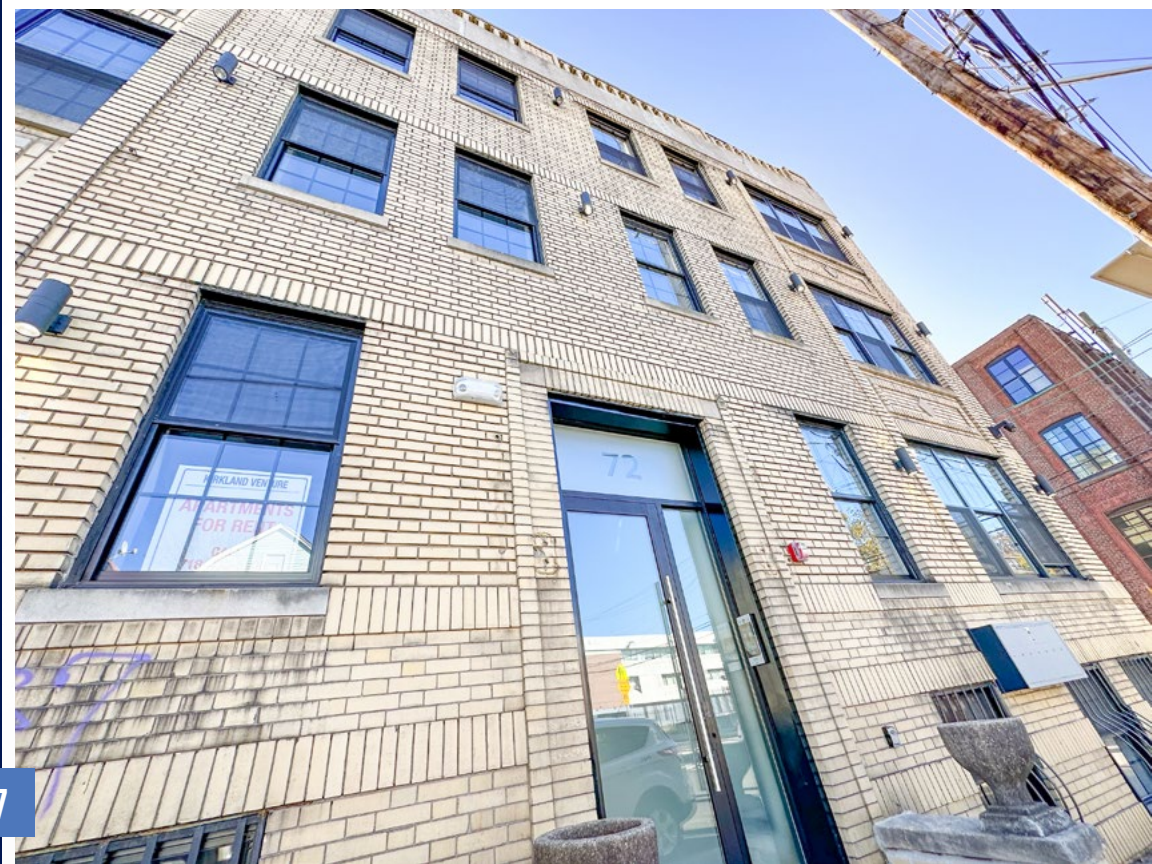
BUILDING HIGHLIGHTS

- All oversized two & three bedroom apartments
- Loft style + exposed brick
- Building gut renovated with condo finishes
- Laundry in the basement
- Rooftop Terrace
- Split units (heat & AC)+ on-demand hot water heaters for each unit
- Tenants pay for heat, hot water & electric
- Landlord pays for common area electric & water/sewer

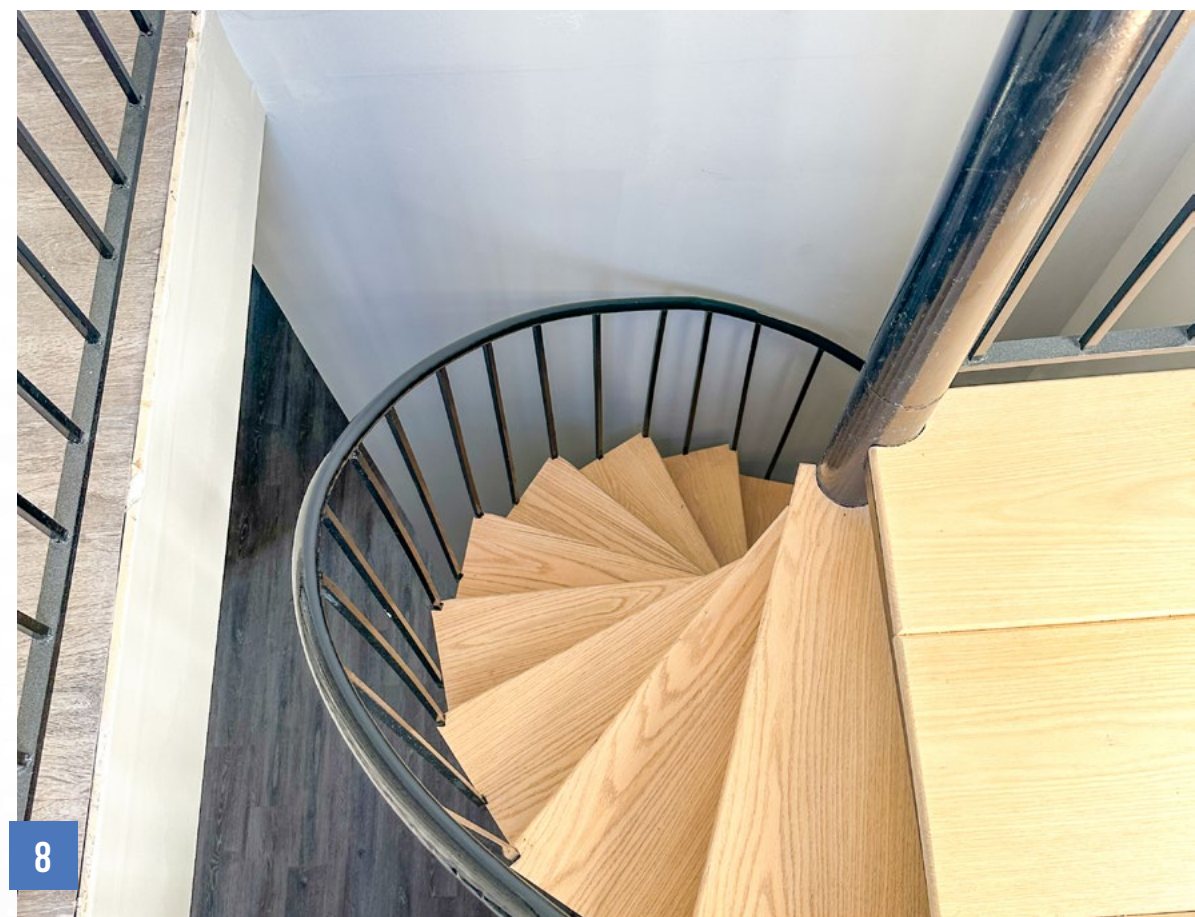


CONVENIENT TRANSPORTATION

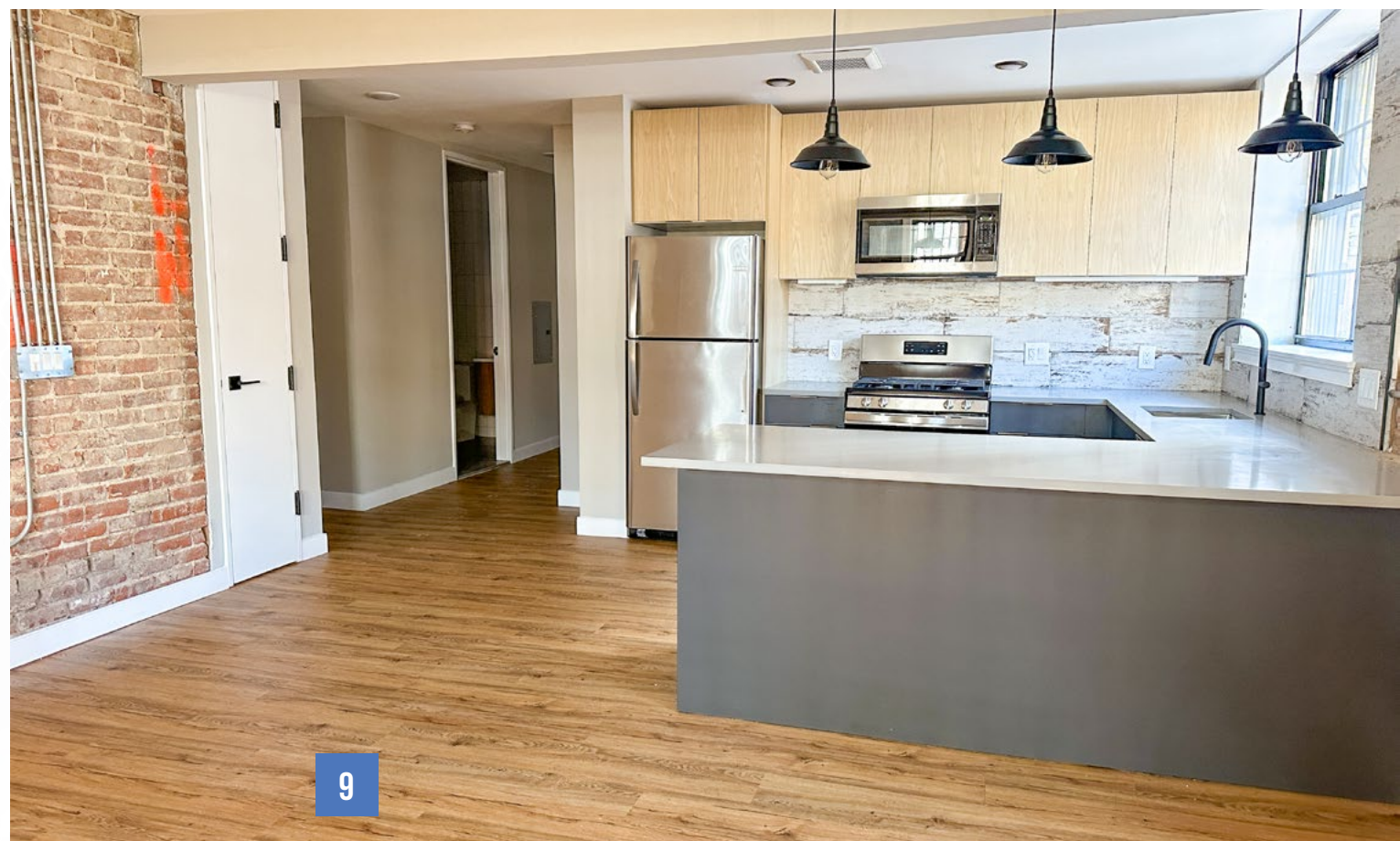
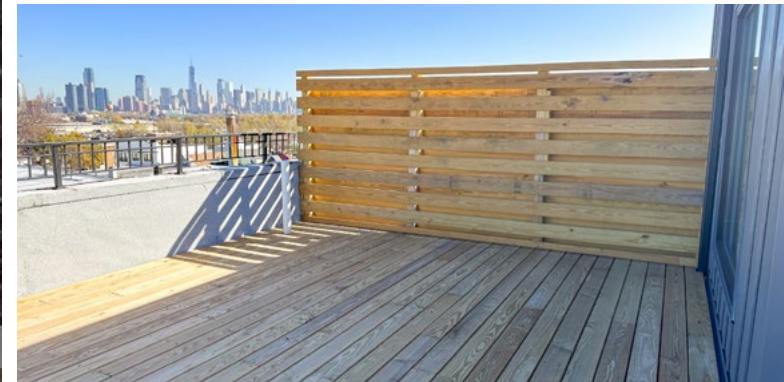
- The building is approximately a 3-minute walk to Ocean Ave At Wilkinson Ave Bus Stop which provides a 35-minute trip into Midtown Manhattan ± 2.4 miles to the Journal Square Path Station with direct access to NYC



INTERIOR PHOTOS



INTERIOR PHOTOS



LAUNDRY + UTILITIES



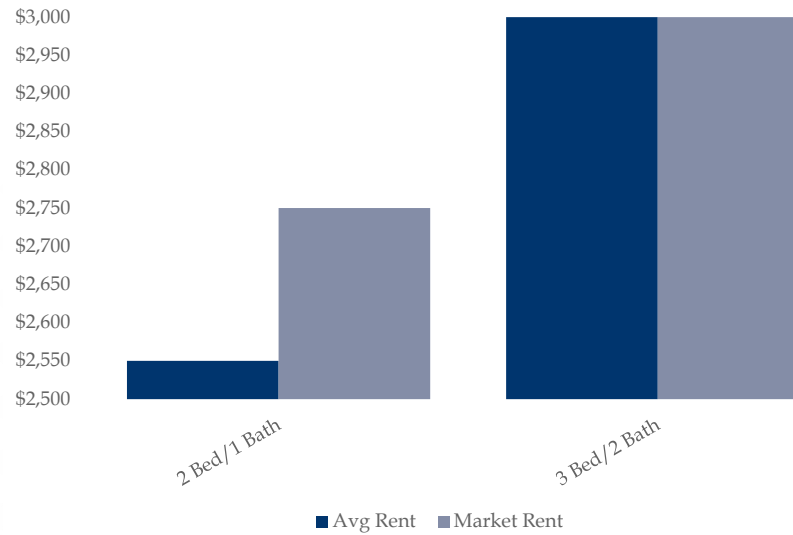
FINANCIAL OVERVIEW

RENT ROLL

UNIT #	UNIT TYPE	SF (APPROX)	ACTUAL	\$/PSF	PRO FORMA	\$/PSF2
1	3 Bed/2 Bath	1,177	\$3,200	\$33	\$3,200	\$33
2	2 Bed/1 Bath	765	\$2,300	\$36	\$2,750	\$43
3	2 Bed/1 Bath	765	\$2,300	\$36	\$2,750	\$43
4	2 Bed/1 Bath	950	\$2,600	\$33	\$2,750	\$35
5	2 Bed/1 Bath	940	\$2,600	\$33	\$2,750	\$35
6	2 Bed/1 Bath	950	\$2,750	\$35	\$2,750	\$35
7	2 Bed/1 Bath	940	\$2,750	\$35	\$2,750	\$35
TOTAL		6,487	\$18,500	\$34	\$19,700	\$37
ANNUAL RESIDENTIAL INCOME			\$222,000		\$236,400	
GROSS POTENTIAL INCOME			\$222,000		\$236,400	

RENT ROLL ANALYSIS

UNIT TYPE	UNITS	AVG SF	ACTUAL		PRO FORMA		UPSIDE
			Avg Rent	Avg \$/PSF	Market Rent	Avg \$/PSF	
2 Bed/1 Bath	6	885	\$2,550	\$35	\$2,750	\$37	8%
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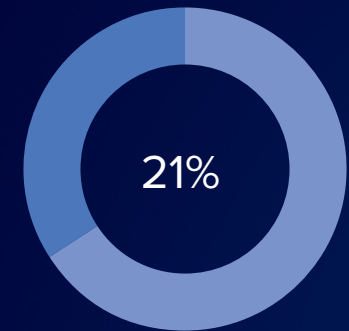
ANNUAL OPERATING SUMMARY

INCOME	ACTUAL		PRO FORMA	
		%EGI		%EGI
Annual Residential Income	\$222,000		\$236,400	
Less Vacancy & Credit Loss	-\$8,880	4%	-\$8,880	4%
Other Income (1)	\$2,000		\$2,040	
Effective Gross Income	\$215,120		\$229,560	

EXPENSES	ACTUAL			PRO FORMA		
		%EGI	Per Unit		%EGI	Per Unit
Property Taxes	\$16,964	15%	\$2,423	\$17,303	8%	\$2,472
Insurance	\$5,250	2%	\$750	\$5,355	2%	\$765
Water & Sewer	\$6,650	3%	\$950	\$6,783	3%	\$969
PSEG	\$600	0%	\$86	\$612	0%	\$87
Super	\$3,500	2%	\$500	\$3,570	2%	\$510
Repairs & Maintenance	\$3,500	2%	\$500	\$3,570	2%	\$510
Management Fee	\$8,605	4%	\$1,229	\$6,887	3%	\$984
Legal & Accounting	\$800	0%	\$114	\$816	0%	\$117
Total Expenses	\$45,869	21%		\$44,896	20%	
Net Operating Income	\$169,251			\$184,664		

(1) Laundry

EXPENSE RATIO



TAXES PER FOOT
\$2.62



TAXES PER UNIT
\$2,423

VALUATION SUMMARY

ASKING PRICE					
PRICE	CAP RATE (ACTUAL)	CAP RATE (PRO FORMA)	PRICE PER UNIT	INVESTOR CAPITAL	CASH ON CASH
\$2,450,000	6.91%	7.54%	\$350,000	\$724,342	7.35%
SALES RANGE					
\$2,507,000	6.75%	7.37%	\$358,143	\$781,342	6.81%
\$2,480,000	6.82%	7.45%	\$354,286	\$754,342	7.05%
\$2,453,000	6.90%	7.53%	\$350,429	\$727,342	7.32%
\$2,427,000	6.97%	7.61%	\$346,714	\$701,342	7.59%
\$2,401,000	7.05%	7.69%	\$343,000	\$675,342	7.88%

CAP RATE VALUE

	\$169,251 (Actual)	\$184,664 (Pro Forma)
6.75%	\$2,507,000	\$2,736,000
6.90%	\$2,453,000	\$2,676,000
7.05%	\$2,401,000	\$2,619,000

GRM VALUE

	\$222,000 (Actual)	\$236,400 (Pro Forma)
14	\$3,108,000	\$3,310,000
13	\$2,886,000	\$3,073,000
12	\$2,664,000	\$2,837,000

\$/PSF VALUE

	\$375	\$386	\$398
	\$2,432,000	\$2,507,000	\$2,582,000

PROPOSED DEBT FINANCING

Interest Only Calculation	Yes
Inputs	
LTV	70%
Min DCR	1.25
Interest Rate	6.50%
Term	5 years
Amortization	30 years
Max LTV (based on DCR)	73%
Loan Sizing	
Capitalized Value	\$2,450,000
Loan at MAX LTV	\$2,450,000
Loan at MIN DCR	\$1,785,158
Max Loan Amount	\$1,785,158
Annual Debt Service	\$135,401
Interest Only Debt Service	\$116,035
Additional Equity	
Closing Costs	2.00% \$49,000
CapEx / Renovation Budget	\$10,500

CASH FLOW ASSUMPTIONS

Purchase		
Purchase Price		\$2,450,000
Earnest Money Deposit	5%	\$122,500
Down Payment	27%	\$664,842
Mortgage		\$1,785,158
Interest Rate		6.50%
Amortization		30 years
Closing Costs	2.00%	\$49,000
CapEx Raise (2 years)		\$10,500
Total Investor Capital		\$724,342

Income & Expenses		
Gross Potential Income		\$222,000
Vacancy & Credit Loss	4.0%	-\$8,880
Other Income		\$2,000
Effective Gross Income		\$215,120
Expenses (Actual)		\$45,869
Net Operating Income		\$169,251

Cash Flow	IO Period	
Annual Debt Service		\$135,401
IO Annual Debt Service	Yes	\$116,035
Cash Flow After Debt Service		\$53,216

Growth Factor - Apartments		
Rent Growth Factor		4.00%
Expense Growth Factor		2.50%
Market Turnover		15.00%
Increase effectiveness		40.00%
Allowable Increase		3.50%
Building Upside		6.49%

Cash-Out Refinance		
		5
Net Operating Income		\$204,593
Debt Coverage Ratio		1.25
Max Annual Debt Service		\$163,674
Interest Rate		5.00%
Amortization		30
Loan Amount		\$2,540,795
Closing Costs	1%	\$25,408
Outstanding Loan Balance		\$1,696,964
Proceeds from Refinance		\$818,423
Return of Investor Capital		\$724,342
% Return of Investor Capital		100.00%
Profit from Refinance		\$94,081
Capital Account Balance		\$0

Disposition		
		10
Net Operating Income		\$252,463
Terminal Cap Rate		6.50%
Sales Price		\$3,884,052
Cost of Sale	5%	\$194,203
Outstanding Loan Balance		\$2,285,072
Proceeds from Sale		\$1,404,778
Return of Investor Capital		\$0
Profit from Sale		\$1,404,778
Capital Account Balance		\$0

Annual Improvements / Renovation Budget		
Estimated annual unit turnover		1.1
Estimated unit renovation cost		\$5,000
Common area upgrades		\$0
Mechanical upgrades		\$0
Estimated Annual Cap/Ex Budget		\$5,250

CASH FLOW ANALYSIS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5 (Refinance)	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
INCOME										
Gross Potential Income	\$222,000	\$230,880	\$240,115	\$249,720	\$259,709	\$270,097	\$280,901	\$292,137	\$303,822	\$315,975
Vacancy & Credit Loss	-\$8,880	-\$9,235	-\$9,605	-\$9,989	-\$10,388	-\$10,804	-\$11,236	-\$11,685	-\$12,153	-\$12,639
Other Income	\$2,000	\$2,040	\$2,040	\$2,040	\$2,040	\$2,040	\$2,040	\$2,040	\$2,040	\$2,040
EFFECTIVE GROSS REVENUE	\$215,120	\$223,685	\$232,551	\$241,771	\$251,360	\$261,333	\$271,705	\$282,491	\$293,709	\$305,376
EXPENSES (ACTUAL)										
Property Taxes	\$16,964	\$17,388	\$17,823	\$18,268	\$18,725	\$19,193	\$19,673	\$20,165	\$20,669	\$21,186
Insurance	\$5,250	\$5,381	\$5,516	\$5,654	\$5,795	\$5,940	\$6,088	\$6,241	\$6,397	\$6,557
Water & Sewer	\$6,650	\$6,816	\$6,987	\$7,161	\$7,340	\$7,524	\$7,712	\$7,905	\$8,102	\$8,305
PSEG	\$600	\$615	\$630	\$646	\$662	\$679	\$696	\$713	\$731	\$749
Super	\$3,500									
Repairs & Maintenance	\$3,500	\$3,588	\$3,677	\$3,769	\$3,863	\$3,960	\$4,059	\$4,160	\$4,264	\$4,371
Management Fee	\$8,605	\$8,820	\$9,040	\$9,266	\$9,498	\$9,736	\$9,979	\$10,228	\$10,484	\$10,746
Legal & Accounting	\$800	\$820	\$841	\$862	\$883	\$905	\$928	\$951	\$975	\$999
TOTAL OPERATING EXPENSES	\$45,869	\$43,428	\$44,514	\$45,627	\$46,767	\$47,936	\$49,135	\$50,363	\$51,622	\$52,913
Net Operating Income (NOI)	\$169,251	\$180,257	\$188,037	\$196,144	\$204,593	\$213,397	\$222,570	\$232,128	\$242,087	\$252,463
Debt Service	\$116,035	\$116,035	\$135,401	\$135,401	\$163,674	\$163,674	\$163,674	\$163,674	\$163,674	\$163,674
Cash Flow After Debt Service	\$53,216	\$64,222	\$52,636	\$60,743	\$40,919	\$49,722	\$58,896	\$68,454	\$78,413	\$88,789
Distributions										
Turnover / Cap Ex Budget	\$0	\$0	\$0	\$0	\$94,081	\$0	\$0	\$0	\$0	\$1,404,778
Total Investor Cash Flow	\$53,216	\$64,222	\$52,636	\$60,743	\$135,000	\$49,722	\$58,896	\$68,454	\$78,413	\$1,493,567
Capital Account Balance (end of year)	\$724,342	\$724,342	\$724,342	\$724,342	\$0	\$0	\$0	\$0	\$0	\$0
Investor Cash-on-Cash Return	7.3%	8.9%	7.3%	8.4%	Infinity	Infinity	Infinity	Infinity	Infinity	Infinity

INTERNAL RATE OF RETURN (IRR)

YEAR	INVESTOR CAPITAL	CASH FLOW DISTRIBUTION	RETURN OF INVESTOR CAPITAL	PROCEEDS FROM REFI OR SALE	TOTAL
0	-\$724,342				-\$724,342
1		\$53,216			\$53,216
2		\$64,222			\$64,222
3		\$52,636			\$52,636
4		\$60,743			\$60,743
5		\$40,919	\$724,342	\$94,081	\$859,342
6		\$49,722			\$49,722
7		\$58,896			\$58,896
8		\$68,454			\$68,454
9		\$78,413			\$78,413
10		\$88,789		\$1,404,778	\$1,493,567
Total	-\$724,342	\$616,009	\$724,342	\$1,498,859	\$2,114,868
Investor IRR					21.95%
Investor ROI					292%

5.1 MILES

Hoboken

2.5 MILES

Downtown Jersey City

8.7 MILES

Midtown Manhattan

8.8 MILES

Newark Liberty Airport

35 Minute Light Rail Ride To Manhattan



OCEAN AVE AT WILKINSON AVE
BUS STOP



72 ARLINGTON AVE



OCEAN AVE AT WILKINSON AVE



3 MIN.

WALK TO OCEAN AVE AT WILKINSON AVE BUS STOP



35 MIN.

AVERAGE LIGHT RAIL RIDE TO MANHATTAN



72 ARLINGTON AVE

OCEAN AVE AT WILKINSON AVE BUS STOP



LOCATION OVERVIEW

JERSEY CITY, NJ

Jersey City is the second-most populous city in New Jersey after Newark. Being one of the largest municipalities in Hudson County, it rests at the seat of Northern New Jersey and is a transportation hub with a number of different options. The city is bound on the east coast by the Hudson River and offers numerous transportation options for its residents to both Manhattan and other surrounding areas. Jersey City is also becoming a more prosperous area for people seeking an affordable alternative to New York City.

The Bergen-Lafayette community, lying just southwest of the downtown area in Jersey City, represents many separate neighborhoods, including the Communipaw Junction and the Bergen Section. The residents of the community benefit from a close proximity not only with various other neighborhoods and cultural atmospheres, but also with the Liberty State Park, Science Center, and Liberty National Golf Course.. Bergen-Lafayette sits just 1.5 miles from the heart of the city.



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
Five Year Projection	110,117	571,813	1,506,242
Current Year Estimate	106,748	555,955	1,494,968
2020 Census	100,326	488,897	1,377,083
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Five Year Projection	44,283	257,131	710,326
Current Year Estimate	42,933	250,809	707,813
2020 Census	40,771	221,396	656,119
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$126,347	\$139,678	\$144,875



LANDLORD FRIENDLY RENT CONTROL

There are two ways that a landlord can raise the rent:

1. Once in a period of 12 months by the Consumer Price Index, which is capped at 4%.
2. The landlord has made capital improvements to the apartments or the building has obtained all proper permits for the work, and has provided the city with documentation of how much those improvements cost
 - Capital improvements do not include ordinary repairs and maintenance
 - There is a specific formula in the rent control law which the landlord must use to calculate the allowable rent increase for a capital improvement

PATH TO UNLOCKING UPSIDE THROUGH CAPITAL IMPROVEMENTS	
MONTHLY INCREASE:	REHAB REQUIRED:
\$300	~\$20,000
\$450	~\$30,000
\$610	~\$40,000
\$765	~\$50,000

ECONOMY

Jersey City is home to many large corporations, such as Goldman Sachs, making this city a perfect choice for those looking for a place from which to operate, hence, providing much-needed employment opportunities across various sectors. Likewise, recent investments being made into technology startups should help keep this trend going for quite some time. Additionally, educational institutions within the area also provide locals with much-needed training programs equipping them with the necessary skills required by today's employers and ultimately contributing towards long-term economic stability.

The largest industries in Jersey City, NJ are Professional, Scientific, & Technical Services (20,285 people), Finance & Insurance (16,411 people), and Health Care & Social Assistance (15,708 people), and the highest paying industries are Finance & Insurance (\$110,845), Real Estate & Rental & Leasing (\$102,484), and Utilities (\$101,164).

MAJOR EMPLOYERS IN JERSEY CITY



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **72 Arlington Ave, Jersey City, NJ 07305** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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JERSEY CITY, NJ 07305

OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY:



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